

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose

BILL NUMBER: SB 719
AUTHOR: B. Huff
RELATED BILLS: AB 1194, SB 502

BILL SUMMARY: State Agency Internet Web Sites

This bill, known as the Taxpayer Transparency Act of 2009, would require every department within the state to develop and maintain a publicly accessible website, at no cost to the user, that provides specified details for all departmental expenditures in excess of \$1,000. The only expenditures that would be exempted are public assistance payments to individuals and transfers between departments. The type of expenditures would include, but are not limited to: contracts; expenditures from a reserve account; grants; purchase orders; subcontracts; and tax refunds, rebates, and credits. Each department would be required to have the website available by July 1, 2010 with unspecified assistance from the Office of the State Chief Information Officer (OCIO), the Department of Finance (Finance), the Department of General Services (DGS), and the Governor's Office (GO). The website would be required to include information from fiscal year 2008-09 and thereafter, and be updated monthly. In addition, the website would be required to include information in a format that is both searchable and can be downloaded and manipulated by the user.

FISCAL SUMMARY

Statewide implementation of this bill would have significant increased costs to the General Fund. One-time costs would likely be in the range of tens of millions of dollars with significant ongoing costs, probably exceeding \$1 million annually.

COMMENTS

Finance is opposed to SB 719, as it is virtually identical to SB 1494 of 2008 which we also opposed. (SB 1494 did not pass out of the Senate Appropriations Committee and was inactive at the close of the 2007-08 session.) Below are our comments.

- The data requirements outlined by this bill would be duplicative of the efforts of the Financial Information System for California (FI\$Cal) project under development by several partner agencies, which would contain departmental expenditure information through a statewide enterprise system. FI\$Cal includes a public portal component; however the timing and phase of the FI\$Cal project in which the portal would be implemented has not been determined. In response to FI\$Cal, Finance and the OCIO issued a moratorium on the development of administrative IT systems through Budget Letter 08-05. This bill would be contrary to the objectives of that moratorium.
- In order to meet the July 1, 2010 deadline, much of the required data would need to be manually collected and processed by the departments, which would be further compounded by the distributed nature of many departments' accounting functions. There are hundreds of systems, both automated and manual, used in departments today to collect and maintain the type of expenditure data required by this bill. Significant programming effort would be required to compile this information and make it available for public access.
- Development and maintenance of the required websites would require web tools and development resources that may be unavailable to many of the state's departments and agencies. The technical

Analyst/Principal (0843) R. Gillihan	Date	Program Budget Manager Diana Ducay	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

